

Property & Casualty insurance update

Senate Business, Financial Services, Gaming & Trade committee

November 29, 2023

OFFICE of the
INSURANCE
COMMISSIONER
WASHINGTON STATE

Current state of P&C markets

Approx 750 P&C companies authorized in WA

another 200 that only sell Casualty.

- $1.7 billion deposited to General Fund
  - $5.2 million from fines
  - $50 million from fees
  - $1.6 billion from premium tax

P&C Licensees

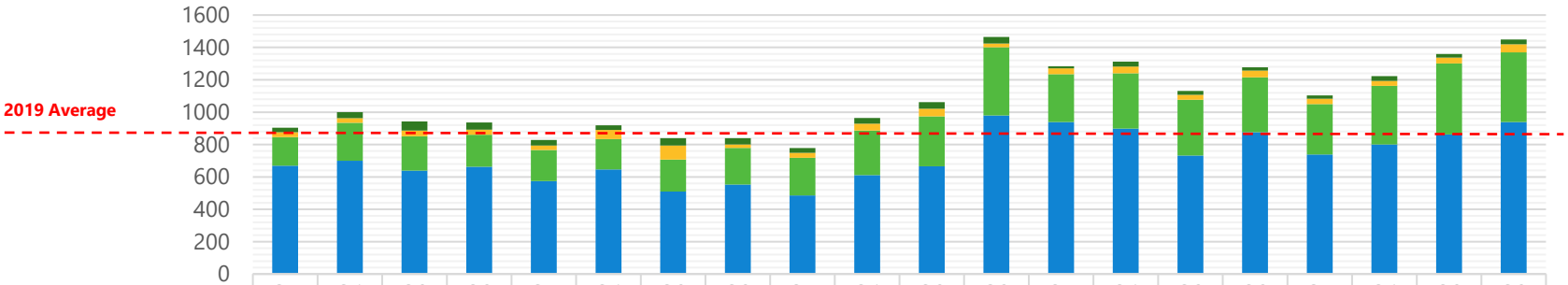
73,138 producers- 15,035 resident (84% are non-resident)

18,316 independent adjusters- 738 resident

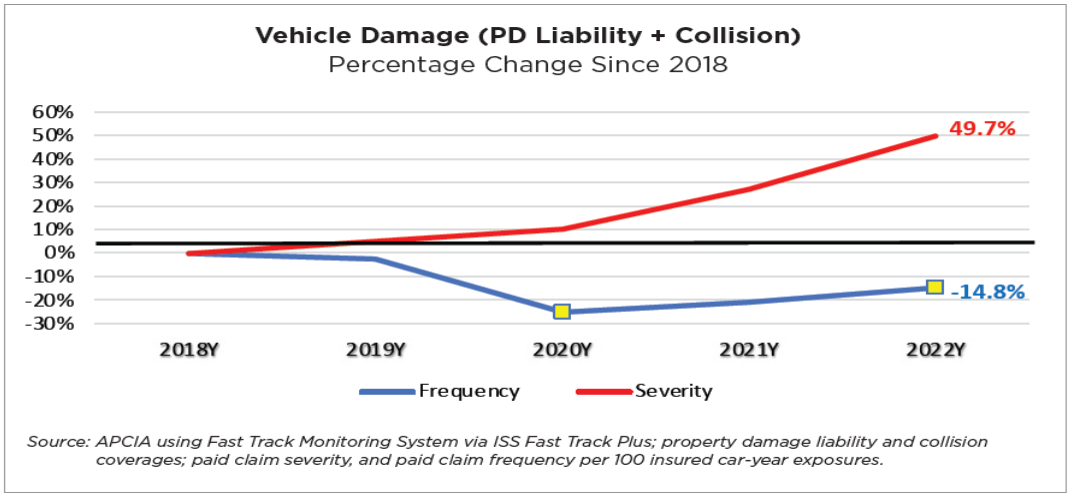
255 public adjusters- 71 resident

100+ Emergency adjuster registrations (due to Gray fire and Oregon Rd. fire)

P&C consumer complaints increasing

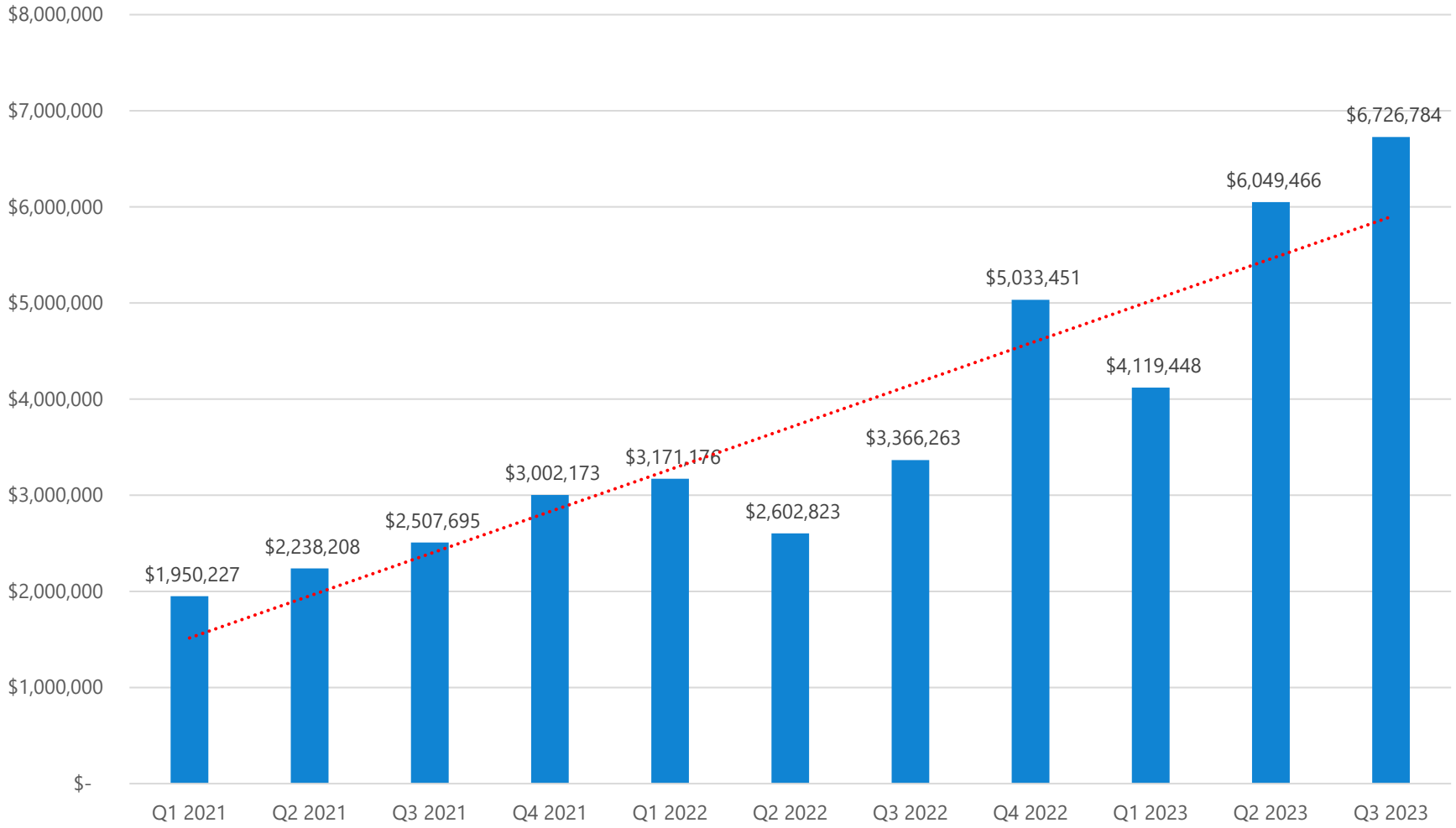


	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Liability	28	37	57	44	34	29	45	38	29	35	41	41	13	30	24	20	20	30	22	30
Fire, Allied Lines, and CMP	30	29	35	31	28	56	87	22	31	43	47	23	36	42	30	42	33	30	36	50
Homeowners	177	234	212	198	192	188	197	226	232	275	308	421	296	342	345	339	311	362	439	430
Auto	669	700	639	663	574	646	510	553	486	611	666	980	939	898	732	876	739	801	862	939



Source: APCIA using Fast Track Monitoring System via ISS Fast Track Plus; property damage liability and collision coverages; paid claim severity, and paid claim frequency per 100 insured car-year exposures.

P&C dollars recovered for consumers



Policy form filings

The OIC reviews an average of 3200 policy forms a year and approve about 3000 a year

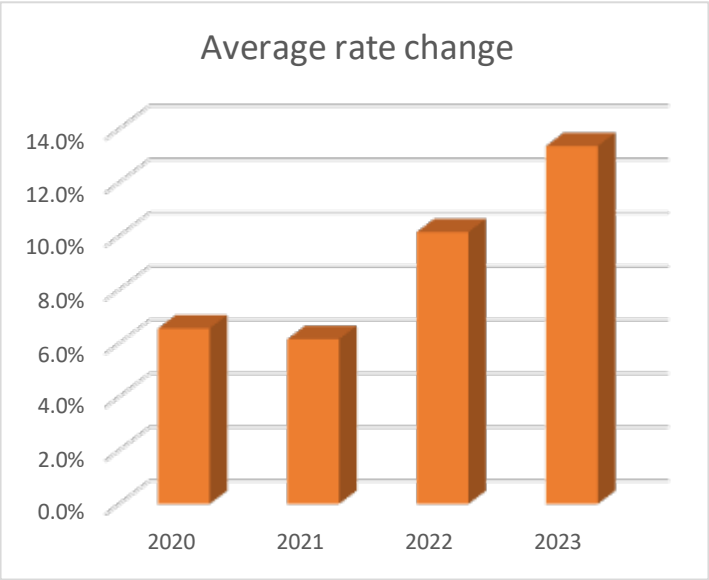
From	To	Action	# of Filings
1/1/2021	12/31/2021	Approved	3292
		Disapproved	2
		Withdraw	177
1/1/2022	12/31/2022	Approved	2821
		Disapproved	1
		Withdraw	219
1/1/2023	10/23/2023	Approved	2467
		Disapproved	2
		Withdraw	130

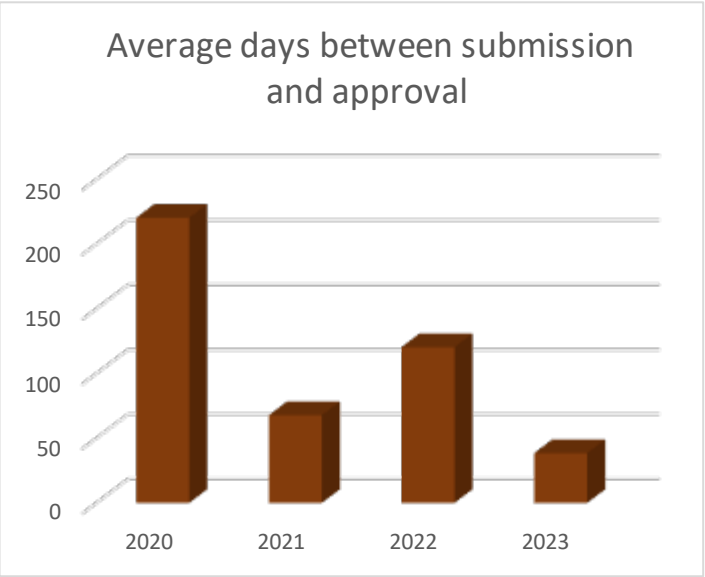
Rate filings

The OIC reviews an average of 3000 rate filings a year and approve about 2700 a year

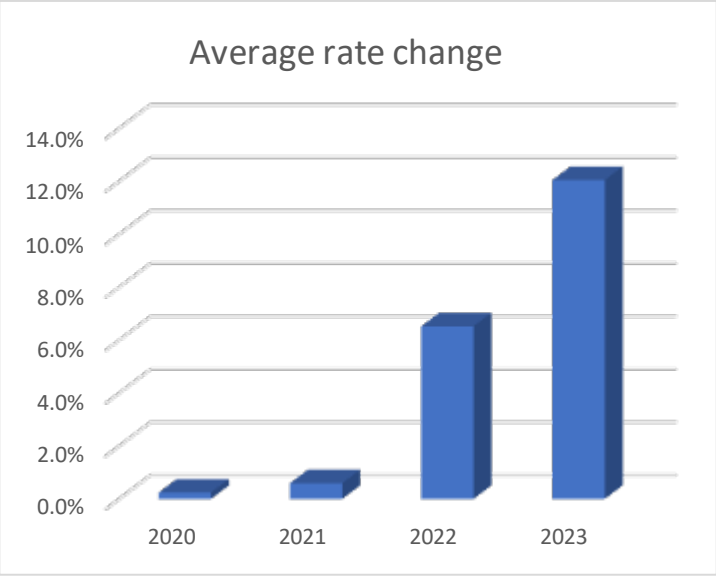
From	To	Action	# of Filings
1/1/2021	12/31/2021	Approved	2879
		Disapproved	1
		Withdraw	225
		Closed	65
1/1/2022	12/31/2022	Approved	2639
		Disapproved	1
		Withdraw	254
		Closed	25
1/1/2023	10/23/2023	Approved	2683
		Disapproved	0
		Withdraw	162
		Closed	23

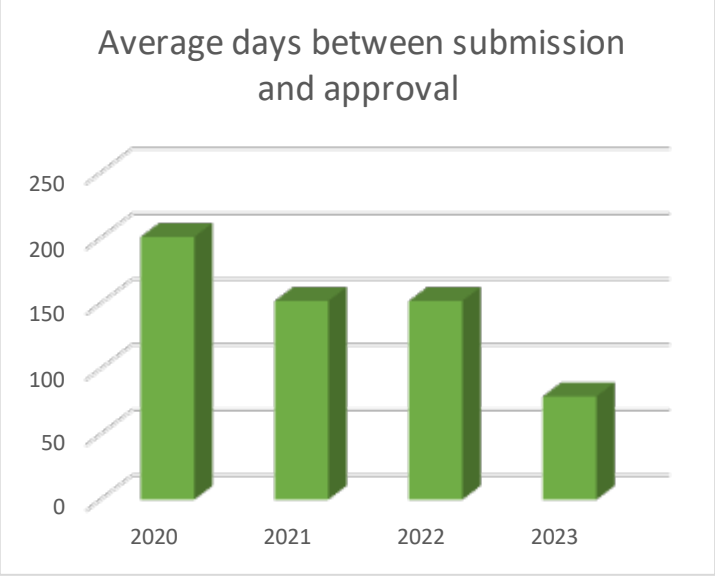
Homeowner rate filings





Auto rate filings





Rate review efforts

P&C rate review team expanding from 5 actuaries and analysts to 8 in Q1 2024.

OIC led webinar to industry on October 3rd 2023 to work on better initial filings

Our internal goal is to have an average response time of less than 10 days by end of 2024

WA FAIR Plan- Insurer of last resort

Provides basic property insurance on dwellings and commercial buildings when owner unable to find coverage in normal market.

Insurance companies are required to include the name and telephone number of the FAIR Plan in all property cancellation and non-renewal notices.

WA FAIR Plan- Insurer of last resort

State	Florida	California	Louisiana	Oregon	Washington
Number of policies in effect	1,330,000+	325,000+	120,000+	1250+	130

IBHS Research Center



IBHS Research Center



IBHS Research Center



IBHS Research Center



IBHS Research Center



State risk mitigation grant programs

- The **Strengthen Alabama Homes** program provides grants to Alabama residents for residential wind mitigation on existing owner-occupied, single-family homes.
- **MySafe Florida Home** provides free home inspections and a matching grant program to help homeowners retrofit properties making them less vulnerable to hurricane damage.
- The **Louisiana Fortify Homes** program authorizes the insurance commissioner to make grants to retrofit roofs of insurance property using the IBHS fortified standards.
- The **North Carolina Insurance Underwriting Association Strengthen Your Roof** program offers grants to help eligible policyholders in beach communities better protect their homes against the threat of hurricanes.
- The **South Carolina Safe Home** program provides matching and non-matching grant funds to help property owners retrofit their homes to make them more resistant to damage from hurricanes and high wind.
- The **Strengthen Minnesota Homes** program established a new pre-disaster mitigation program to help Minnesotans upgrade their roofs to make them more resistant to high wind, hail and other extreme weather events

State risk mitigation grant programs

The regulatory account of the Department of Insurance (DOI) is used to create an internal unit (5-7 FTEs.)

The Legislature creates a new mitigation account and appropriates general fund monies to be used for mitigation grants.

The DOI processes applications, uses grant funds to directly pay contractors and evaluators.

When the mitigation efforts show a reduction in claims, allows insurance companies to provide rate discounts.

Questions?

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Wildfire Prepared Homes



Watch IBHS's Wildfire presentation for Washington state (youtube.com)